

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8218

BILL NUMBER: SB 432

DATE PREPARED: Mar 30, 1999

BILL AMENDED: Mar 29, 1999

SUBJECT: Child labor restrictions and employee matters.

FISCAL ANALYST: Beverly Holloway

PHONE NUMBER: 232-9851

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides that the employer of a child who is at least 16 years of age and less than 18 years of age must have parental consent on file in the employer's office for the child to work: (1) up to 40 hours per week during school weeks; and (2) 48 hours per week during a nonschool week. It provides that a child who is at least 17 years of age and less than 18 years of age may work until 1 a.m. the following day on a night followed by a school day only if the child's employer has the consent of the child's parent on file in the employer's office and no more often than two non-consecutive school nights a week.

This bill provides for a warning letter for a first violation of child labor laws, and for fines for subsequent violations. It provides that one half of the money in the Employment of Youth Fund shall be used each year for the purpose of education regarding child labor laws. It provides that half of the money in the Employment of Youth Fund shall be used for the expenses of hiring and salaries of additional inspectors to enforce child labor laws.

This bill provides that an employee of a seasonal amusement or recreational establishment, an organized camp, or a religious or nonprofit educational conference center that is exempt under the Fair Labor Standards Act who is covered by the Indiana minimum wage law is not entitled to overtime wages for a work week longer than 40 hours.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) The Department of Labor has five child labor inspectors and the provisions of this bill can be done with the existing staff.

The remaining provisions of this bill have no fiscal impact.

Explanation of State Revenues: (Revised) Depending on the compliance rate and the increase in fines, passage of this bill could increase the amount of fines that are collected by the Department of Labor. Revenue from fines was reported to have changed from \$119,550 in FY 1996 to \$80,975 in FY 1997, and to \$93,285 in FY 1998. This revenue is deposited into the Employment of Youth Fund and is used for educating affected parties on the purpose and content of child labor laws. This bill distributes one half of the money in the Employment of Youth Fund for education regarding child labor laws while the other half of the Employment of Youth Fund is to be used for hiring and salaries of additional inspectors to enforce child labor laws.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Labor

Local Agencies Affected:

Information Sources: Michelle Gibson, Department of Labor, (317) 232-2676.